



Committee On Finance

Max Baucus, Ranking Member

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Baucus Bill Would Use Tax Credit Bonds To Improve Indian Jails *Senator's Proposal Would Help Rehabilitate Tribal Detention Centers*

(WASHINGTON, D.C.) U.S. Senator Max Baucus, Ranking Member of the Senate Finance Committee, introduced legislation today that would allow Indian tribes to issue bonds to help build or improve jails.

Baucus introduced the bill following reports of overcrowding, poor sanitary conditions, escapes, and violence at the Indian detention centers in Montana and on reservations in other parts of the country during a Senate Finance Committee hearing held this past September at Baucus' request.

Baucus' bill would give tribes the authority to issue tax-credit bonds to construct, maintain, and operate the facilities. The bonds will give tax credits rather than interest to private investors, allowing tribes to earn the interest off the proceeds. This interest can provide a steady stream of income designed to maintain and staff the jails, Baucus said.

"This bill isn't meant to fix all the problems we have with Indian jails, but it should really help," said Baucus. "It will enable the tribes to raise money from the private sector to get started fixing these jails up without having to wait for Washington, D.C. to act."

Baucus and the Finance Committee recently reviewed a report by the Interior Department's inspector general that was highly critical of the Bureau of Indian Affairs, the agency charged with running the detention facilities. Baucus' bill wouldn't change or effect how BIA operates the facilities, he noted.

Baucus said he got input from Montana tribes before introducing the bill.

"This has to be a government-to-government solution," Baucus said. "This bill takes a common-sense approach that respects tribal sovereignty while using the private sector to generate more dollars to repair or build new jails."

The Wall Street-style financing mechanism would require the tribes to meet the following criteria: must be a federally recognized Indian tribe, 95 percent of the proceeds must be used to construct, improve, or repair a prison on an Indian reservation, and the term of the bond can't be longer than 10 years.

After introducing the measure today, Baucus said he will work to gain support and build momentum in the Congress for passing it.

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